



## MEXAN GROUP LIMITED

(Incorporated in the British Virgin Islands with limited liability)

## UNITED GOAL DEVELOPMENT LIMITED

(Incorporated in the British Virgin Islands with limited liability)



## ASEAN RESOURCES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

## BESTEAM LIMITED

(Incorporated in the British Virgin Islands with limited liability)

### ASEAN RESOURCES GROUP REORGANISATION AND POSSIBLE MANDATORY OFFER FOR THE SHARES IN ASEAN RESOURCES AND POSSIBLE VOLUNTARY OFFER FOR THE SHARES IN BESTEAM LIMITED

Joint financial advisors to  
Mexan Group Limited



KINGSTON CORPORATE FINANCE LIMITED

and



CAPITAL  
CSC Asia Limited

Financial advisor to  
United Goal Development Limited



大福融資有限公司  
TAI FOOK CAPITAL LIMITED

Financial advisor to Asean Resources and Besteam Limited

ANGLO CHINESE  
CORPORATE FINANCE, LIMITED

#### SUMMARY

##### Group reorganisation

The directors of Asean Resources Holdings Limited ("Asean Resources") announce that they have been requested by United Goal Development Limited, the controlling shareholder of Asean Resources, to place before its shareholders a proposal to reorganise the Asean Resources group which, if approved and implemented, will result in shareholders of Asean Resources receiving shares in Besteam, a limited company incorporated in the British Virgin Islands, on a one for one basis to their respective shareholdings in Asean Resources.

Presently, United Goal Development, which is held jointly and equally by Mr. Peter Chan and Chow Tai Fook Enterprises Limited, holds 878,780,289 shares in Asean Resources, representing approximately 68.3% of the entire issued share capital of Asean Resources. Mr. Peter Chan in his own capacity currently holds 77,190,000 shares in Asean Resources, representing approximately 6.0% of the entire issued share capital of Asean Resources. Upon completion of the Asean Resources group reorganisation, the shareholders of Asean Resources will hold shares in Besteam in the same proportion to their shareholdings in Asean Resources and Besteam will hold all the assets and businesses of the Asean Resources group, other than the Asean Resources group's interests in the commercial podium of Elizabeth House in Causeway Bay, Hong Kong and cash of not less than HK\$719 million (subject to adjustment). The principal assets of Besteam will be the interests of approximately 24.8% in JW Marriott Hotel Hong Kong in Admiralty, Hong Kong, approximately 47.7% in Hotel Nikko Hongkong in Tsimshatsui, Kowloon, Hong Kong, 57% in a residential redevelopment project at Nos. 33 and 35 Island Road, Hong Kong, 55% in the remaining unsold units of The Colonnade, a residential development at 152 Tai Hang Road, Hong Kong, various investment properties and properties held for or under development, being primarily holdings of agricultural land in the New Territories, Hong Kong.

The distribution of the shares in Besteam will be effected by cancelling and repaying the share premium account of Asean Resources of approximately HK\$929.8 million and by distributing a portion of the retained earnings of Asean Resources. The exact amount of the distribution in specie in the form of shares in Besteam will be determined after the carrying value of Besteam has been ascertained immediately prior to completion of the Asean Resources group reorganisation. The amount in the share premium account so reduced and cancelled and the portion of retained earnings will be repaid and distributed in specie in the form of shares in Besteam. The capital repayment and dividend distribution will result in each shareholder of Asean Resources receiving the same number of shares in Besteam as they have in Asean Resources. No application will be made for the listing of the shares in Besteam on any stock exchange.

Although the Asean Resources group reorganisation is not a connected transaction requiring shareholders' approval, the Asean Resources group reorganisation is conditional, amongst other things, upon the approval by a special resolution of the shareholders of Asean Resources. United Goal Development and Mr. Peter Chan and their respective associates (as defined under the Listing Rules) and concert parties will abstain from voting on the resolution regarding the approval of the Asean Resources group reorganisation.

##### Possible mandatory offer for the shares in Asean Resources

The directors of Asean Resources have also been informed by United Goal Development that United Goal Development had entered into a preliminary agreement with Mexan Group on 8th October, 2002. This preliminary agreement was subsequently amended by two supplemental agreements dated 8th November, 2002 and 22nd November, 2002, respectively and superseded by a formal sale and purchase agreement dated 20th December, 2002 as amended by a supplemental agreement dated 21st February, 2003. Pursuant to the sale and purchase agreement, subject to the implementation of the Asean Resources group reorganisation in full, Mexan Group will acquire 955,970,289 shares in Asean Resources from United Goal Development and Mr. Peter Chan, which shares represent approximately 74.3% of the entire issued share capital of Asean Resources, for approximately HK\$839.7 million, payable in cash, equivalent to HK\$0.8784 per share in Asean Resources. In the event that the offer for the shares in Asean Resources to be made by Mexan Group does not proceed, United Goal Development and the board intend to proceed with the Asean Resources group reorganisation, the Besteam offer and propose to declare a cash dividend of not less than HK\$650 million. United Goal Development will seek another purchaser for its controlling shareholding, which purchase will be conditional upon a similar offer being extended to all the other Asean Resources shareholders.

Upon completion of the sale and purchase agreement, Mexan Group through Kingston Securities Limited and CSC Securities Limited will extend an unconditional cash offer to acquire all outstanding shares in Asean Resources not already held and/or agreed to be acquired by Mexan Group or parties acting in concert with it at a price of HK\$0.8784 per share in Asean Resources, ex the entitlement to the capital repayment and dividend distribution in specie under the Asean Resources group reorganisation. The price to be paid for the shareholding of United Goal Development and Mr. Peter Chan in Asean Resources is based on the net asset value of Asean Resources, after completion of the Asean Resources group reorganisation and the share price of Asean Resources of HK\$0.52 per share prior to the suspension of trading in the Asean Resources shares on 9th October, 2002. It is the intention of Mexan Group to maintain the listing of the shares in Asean Resources on the Stock Exchange following the closing of the Asean Resources offer.

##### Possible voluntary offer for the shares in Besteam

Provided that the Asean Resources group reorganisation is implemented in full, United Goal Development, through Tai Fook Securities Company Limited, will extend a voluntary offer to acquire from all the shareholders of Besteam, other than United Goal Development and Mr. Peter Chan or any person acting in concert with any one of them, the shares of Besteam at HK\$0.1216 per share in cash. Such offer price is determined after taking into account the net asset value of Besteam and the closing price of Asean Resources of HK\$0.52 per share prior to the suspension of trading in the Asean Resources shares on 9th October, 2002. The pro forma net asset value per share in Besteam will be disclosed in the circular to be despatched to the shareholders of Asean Resources. The shareholders of Besteam, other than United Goal Development, Mr. Peter Chan or any person associated with any of them and their concert parties, will (i) receive HK\$0.1216 per share in cash upon acceptance of the offer by United Goal Development and (ii) have the rights to sell their shares in Asean Resources to Mexan Group under the Asean Resources offer. The total consideration of the Besteam offer based on the issued share capital of Besteam, upon completion of the Asean Resources group reorganisation (other than those Besteam shares already owned and/or agreed to be acquired by United Goal Development or parties acting in concert with it) amounts to approximately HK\$40.2 million.

If United Goal Development receives acceptances of the Besteam offer, which equal or exceed 90% or more of the shares in Besteam which were subject of the Besteam offer, United Goal Development will, subject to the provisions of the Takeovers Code, avail itself of the provisions of section 81 of the British Virgin Islands International Business Companies Act, under which holders of 90% or more of the shares of a company can instruct that company to redeem the balance of its shares. In such event, the redemption of the balance of the shares in Besteam will be at HK\$0.1216 per share.

##### The asset injection agreement

Pursuant to the sale and purchase agreement, Mexan Group has requested United Goal Development to procure Asean Resources to enter into an asset injection agreement for the purchase by the Asean Resources group at a consideration of not more than HK\$700 million, after completion of the Asean Resources group reorganisation, of certain assets owned by Mexan Group or its associates. The Stock Exchange considered that they might treat Asean Resources as a new listing applicant if any unlisted assets are to be injected into Asean Resources by Mexan Group or its associates shortly after the completion of the Asean Resources offer. Asean Resources has appealed to the Stock Exchange for a review of the decision and the Stock Exchange has not yet come to a final conclusion. A further announcement will be made when the board of Asean Resources has been notified the results of the decision and on the progress of the asset injection agreement.

##### Current intention of the board of Asean Resources

Since the final decision from the Stock Exchange may not be made within a very short period of time and the proposed asset injection may or may not proceed, therefore, the board considers that it is in the best interest of Asean Resources to resume trading of its shares because the proposed asset injection is not inter-conditional to the Asean Resources group reorganisation, the Asean Resources offer and the Besteam offer.

### Cancellation of the Asean Resources share options

Asean Resources has granted options to a number of its directors and full time employees amounting in aggregate to subscribe for 104,200,000 shares in Asean Resources at an exercise price of HK\$0.68 per share (subject to adjustment) as at the date of this announcement. It is one of the conditions to the preliminary agreement and the sale and purchase agreement that all outstanding options granted by Asean Resources under its employee share option scheme shall be cancelled. Since there is no such clause relating to the cancellation of the share options under the share option scheme, approval of the independent shareholders in Asean Resources and consent of the optionholders of Asean Resources will be sought respectively for any cancellation of the share options. Currently, United Goal Development and the board propose to pay a consideration from the internal resources of Asean Resources for the cancellation of the share options. The board considers that such arrangement is a fair and appropriate way to deal with any Takeovers Code implications on the outstanding share options arising from the sale and purchase agreement and such arrangement will be subject to the independent Asean Resources shareholders' approval and they will be advised by the independent financial advisor. United Goal Development and Mr. Peter Chan and their respective associates (as defined under the Listing Rules) and concert parties will abstain from voting. An announcement in relation to the detailed terms of the cancellation proposal will be made.

**WARNING: BOTH THE MANDATORY OFFER FOR THE SHARES IN ASEAN RESOURCES AND THE VOLUNTARY OFFER FOR THE SHARES IN BESTEAM ARE POSSIBILITIES ONLY. As such offers may or may not proceed, investors are urged to exercise caution when dealing in the shares of Asean Resources.**

### Resumption of trading

At the request of the directors of Asean Resources, trading in the securities of Asean Resources on the Stock Exchange was suspended with effect from 9:30 a.m. on 9th October, 2002. Application has been made to the Stock Exchange for resumption of the trading in the securities of Asean Resources with effect from 9:30 a.m. on 24th February, 2003.

## THE ASEAN RESOURCES GROUP REORGANISATION

### The effect of the group reorganisation

At the request of United Goal Development, the controlling shareholder of Asean Resources holding approximately 68.3% of its entire issued share capital, the board of directors of Asean Resources (the "board") will place before the shareholders of Asean Resources (the "Asean Resources shareholders") a proposal to reorganise the Asean Resources group. The Asean Resources group reorganisation will result in the Asean Resources shareholders registered as such on a record date yet to be determined receiving on a one for one basis shares in Besteam, a limited company incorporated in the British Virgin Islands.

Besteam will hold all the interests of the Asean Resources group, other than its interests in the commercial podium of Elizabeth House in Causeway Bay, Hong Kong and cash of not less than HK\$719 million (subject to adjustment). These interests comprise principally interests of approximately 24.8% in JW Marriott Hotel Hong Kong in Admiralty, Hong Kong, approximately 47.7% in Hotel Nikko Hongkong, Kowloon, Hong Kong, 57% in a residential redevelopment project at Nos. 33 and 35 Island Road, Hong Kong, 55% in the remaining unsold units of The Colonnade, a residential development at 152 Tai Hang Road, Hong Kong, various investment properties and properties held for or under development, being primarily holdings of agricultural land in the New Territories, Hong Kong. There will be no material change in the management of these interests and, in particular, all the present executive directors of Asean Resources will be the directors of Besteam and they will resign as directors of Asean Resources (subject to the repayment by Mexan Group of the loan to United Goal Development in full under the loan facility agreement) on the earliest date as permitted by the Takeovers Code. Details of the loan facility agreement are set out under the paragraph headed "Loan facility agreement".

### The mechanics of the Asean Resources group reorganisation

The Asean Resources group reorganisation will be implemented by a cancellation and distribution of the share premium account of Asean Resources of approximately HK\$929.8 million and by the distribution of a portion of the retained earnings of Asean Resources. The total amount arising from the cancellation of the share premium account and the portion of the retained earnings of Asean Resources will be distributed in specie in the form of shares in Besteam.

The exact amount of the distribution in specie in the form of shares in Besteam will be determined after the carrying value of Besteam has been ascertained immediately prior to completion of the Asean Resources group reorganisation.

The capital repayment and dividend distribution will result in each Asean Resources shareholder receiving the same number of shares in Besteam as they have in Asean Resources. No application will be made for the listing of the shares in Besteam on any stock exchange.

Subject to the approval of the Asean Resources shareholders, Asean Resources will complete an internal group reorganisation under which Besteam will acquire through the acquisition of a number of intermediate holding companies and the assignment of various intergroup loans undertakings of Asean Resources, all the interests of the Asean Resources group other than its interests in the commercial podium of Elizabeth House in Causeway Bay, Hong Kong and cash of not less than HK\$719 million (subject to adjustment). United Goal Development and Mr. Peter Chan and their respective associates (as defined under the Listing Rules) and concert parties will abstain from voting on the resolution regarding the approval of the Asean Resources group reorganisation. The consideration for such acquisition will be the issue of such number of shares in Besteam, which will result in the number of shares in Besteam in issue equal to the number of shares in Asean Resources in issue on the record date, to Asean Resources. Accordingly, the capital repayment and dividend distribution will result in the Asean Resources shareholders receiving:

for each share held in Asean Resources ..... one share in Besteam

The shares in Besteam in issue will rank pari passu in all respects with each other.

### The conditions of the Asean Resources group reorganisation

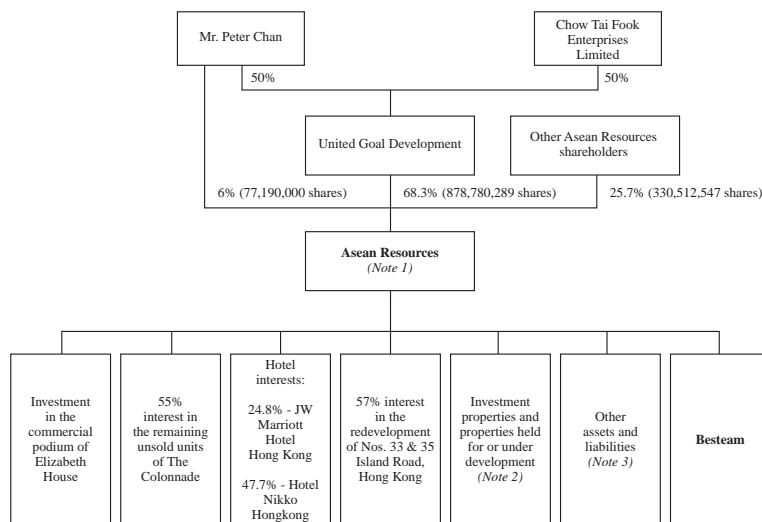
The Asean Resources group reorganisation is conditional upon:

- the passing of a special resolution approving the Asean Resources group reorganisation by the Asean Resources shareholders;
- compliance with s.46(2) of the Companies Act 1981 of Bermuda;
- the agreement of the Asean Resources group's bankers, if required, to the release of guarantees by Asean Resources and any of its retained subsidiaries on the obligations of Besteam or its subsidiaries following the implementation of the Asean Resources group reorganisation;
- the consent, if required, of any of the Asean Resources group's joint venture partners; and
- any other third party's consent or approval, including all regulatory consents, required to give effect to the Asean Resources group reorganisation.

### Asean Resources group and shareholding structure immediately before and immediately after the implementation of the Asean Resources group reorganisation

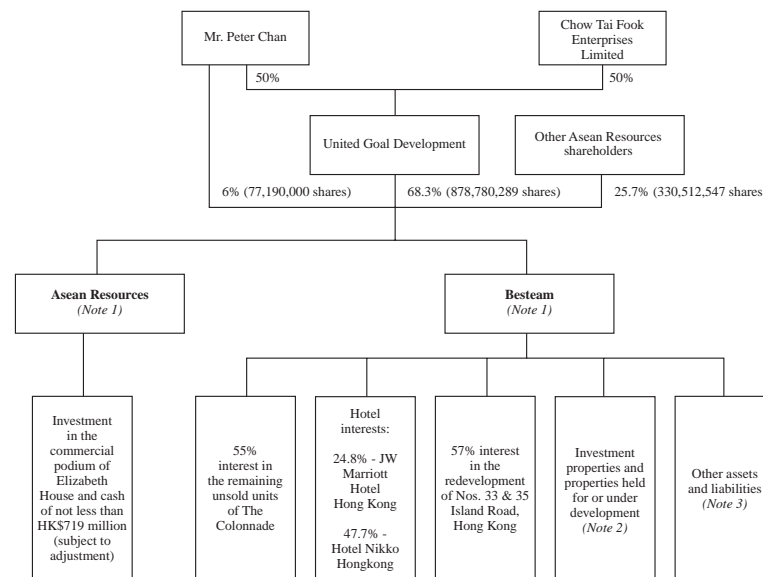
#### Group structure immediately before the Asean Resources group reorganisation

The chart below shows in summary form the group and shareholding structure of Asean Resources immediately before the implementation of the Asean Resources group reorganisation:



#### Group structure immediately after the Asean Resources group reorganisation

The chart below shows in summary form the group and shareholding structure of Asean Resources and Besteam immediately after the implementation of the Asean Resources group reorganisation:



**Note 1:** United Goal Development, which is held jointly and equally by Mr. Peter Chan and Chow Tai Fook Enterprises Limited, holds 878,780,289 shares in Asean Resources and will hold 878,780,289 shares in Besteam, representing approximately 68.3% of the entire issued share capital of Asean Resources and Besteam, respectively. Mr. Peter Chan in his own capacity currently holds 77,190,000 shares in Asean Resources and will hold 77,190,000 shares in Besteam, representing approximately 6.0% of the entire issued share capital of Asean Resources and Besteam, respectively.

**Note 2:** All the investment properties including, among others, warehouse, shops and rental properties which are located in Hong Kong and the PRC, are presently wholly owned by Asean Resources. Properties held for or under development include a piece of agricultural land in Yuen Long which is presently wholly owned by Asean Resources and the remaining properties held for or under development are presently held through associated companies.

**Note 3:** Other assets and liabilities mainly comprise accounts and other receivables, deposits and prepayments, other investments, cash and bank balances, accounts payable, deposits received and accrued charges and bank loans.

### The financial structure and financial performance of Asean Resources

The following information is extracted from the audited consolidated profit and loss account of Asean Resources for the two financial years ended respectively on 31st March, 2001 and 31st March, 2002:

	Year ended 31st March,	
	2001	2002
	HK\$'000	HK\$'000
Turnover	686,788	615,055
Profit/(loss) from operations	210,700	(136,020)
Finance costs	(50,117)	(31,556)
Loss before taxation	(191,291)	(164,532)
Taxation	(4,731)	(1,998)
Loss attributable to shareholders	(274,743)	(183,458)

The following information is extracted from the audited consolidated balance sheet of Asean Resources as at 31st March, 2002

	31st March, 2002
	HK\$'000
Fixed assets	1,932,936
Investments in associated companies	1,027,265
Properties held for/under development	240,135
Long term investments	3,001
Long term receivable	6,774
Current assets	1,096,464
Current liabilities	116,127
Net current assets	980,337
Bank loans, secured	771,394
Shareholders' funds	3,304,210

The audited consolidated net asset value of Asean Resources as at 31st March, 2002 was approximately HK\$3,304 million, representing approximately HK\$2.57 per share based on 1,286,482,836 shares in issue. The unaudited consolidated profit after taxation and net asset value of Asean Resources as at 30th September, 2002 were approximately HK\$43.9 million and HK\$3,328 million, respectively, representing approximately HK\$0.03 per share and HK\$2.59 per share respectively based on 1,286,482,836 shares in issue. The cash and bank balances of Asean Resources as at 30th September, 2002 was approximately HK\$807 million based on the unaudited consolidated account of Asean Resources, representing approximately HK\$0.63 per share based on 1,286,482,836 shares in issue.

### Reasons for the Asean Resources group reorganisation

United Goal Development, being the controlling shareholder of Asean Resources, has requested the board to place the Asean Resources group reorganisation before its shareholders for approval. The board finds no hesitation to put the Asean Resources group reorganisation to the Asean Resources shareholders to consider, as it appears that the same is to the benefit of the Asean Resources shareholders. The board considers that the Asean Resources group reorganisation can facilitate the sale and purchase agreement and the Asean Resources offer in order for the Asean Resources shareholders to realise their investment in Asean Resources at a substantial premium to the traded market price or to retain their investment through holdings in Asean Resources, Besteam or either company. It is also being made in response to the low valuation placed on Asean Resources by the market over an extended period. If the offers for the shares in Asean Resources and Besteam are made, the aggregate price to be received per share in Asean Resources and Besteam will amount to approximately HK\$1.00 per share, representing a discount of approximately 61.1% on the audited consolidated net asset value per share of Asean Resources as at 31st March, 2002.

Save for the interest in the commercial podium of Elizabeth House in Causeway Bay, Hong Kong and cash of not less than HK\$719 million (subject to adjustment), all the interests in other properties and hotels held by Asean Resources will be transferred to Besteam. Given that:

- (i) the assets held by Asean Resources had, as a whole, generated losses for Asean Resources in the two financial years ended 31st March, 2002 and in respect of those assets held through joint ventures, consents from the joint venture partners are required in order to sell those assets in the open markets;

- (ii) the development of properties held by Asean Resources will require substantial cash resources to complete such development before they can be disposed of in open market at a higher price; and
- (iii) investment in the hotels are held by Asean Resources through associated companies with no controlling interests in the hotels and no dividend had been received by Asean Resources from the operations of the hotels.

Therefore, the board considers that it is a good opportunity for the Asean Resources shareholders to realise all the interests in other properties and hotels held by Asean Resources through the Besteam offer even though the Besteam offer price is at a substantial discount to the pro forma net asset value of Besteam. Since the Asean Resources group reorganisation and the Besteam offer are not conditional on the sale and purchase agreement and the Asean Resources offer, therefore, if the sale and purchase agreement does not proceed and consequently the Asean Resources offer will not proceed, United Goal Development and the board still intend to proceed with the Asean Resources group reorganisation, the Besteam offer and propose to declare a cash dividend of not less than HK\$650 million. United Goal Development will seek another purchaser for its controlling shareholding, which purchase will be conditional upon a similar offer being extended to all the other Asean Resources shareholders. Accordingly, if the Asean Resources shareholders accept the Besteam offer, the Asean Resources shareholders will receive HK\$0.1216 per share in Besteam and a cash dividend of not less than HK\$0.50 per share while maintaining as Asean Resources shareholders.

In the event that the Asean Resources offer does proceed, the Asean Resources shareholders will receive HK\$0.8784 per share in Asean Resources and HK\$0.1216 per share in the Besteam offer. Therefore, the board considers that although the combined consideration payable in the Asean Resources offer and the Besteam offer in a total of HK\$1.00 per share represents a substantial discount on the combined pro forma net asset values of Asean Resources and Besteam (the amounts of the pro forma net asset values of both Asean Resources and Besteam after completion of the Asean Resources group reorganisation will be disclosed in the circular to be despatched to the Asean Resources shareholders), the Asean Resources shareholders can realise their investment in Asean Resources at a substantial premium to the traded market price through the Asean Resources and Besteam offers in the current difficult market condition or to retain their investment through holdings in Asean Resources, Besteam or either company.

A circular including, among other things, the advice from the independent board committee of Asean Resources and Somerley Limited, the independent financial advisor to the independent board committee, will be sent to the Asean Resources shareholders and the board recommends the Asean Resources shareholders to read those advice before deciding on how they should respond to the Asean Resources group reorganisation.

## AGREEMENTS

### Preliminary and sale and purchase agreements

The directors of Asean Resources have also been informed by United Goal Development that United Goal Development entered into a preliminary agreement with Mexan Group, a company incorporated in the British Virgin Islands with limited liability and beneficially and wholly owned by Mr. Lau Kan Shan on 8th October, 2002 as amended and supplemented by a supplemental agreement dated 8th November, 2002 and a second supplemental agreement dated 22nd November, 2002 respectively (collectively referred to as the "preliminary agreement"). The preliminary agreement was superseded by a formal sale and purchase agreement entered into between the same parties on 20th December, 2002 which was in turn amended and supplemented by a supplemental agreement dated 21st February, 2003 (collectively referred to as the "sale and purchase agreement"). Pursuant to the sale and purchase agreement, Mexan Group agreed to acquire conditionally upon, amongst other things, the Asean Resources group reorganisation being implemented, all the shares in Asean Resources held by United Goal Development and Mr. Peter Chan, being 955,970,289 shares (the "sale shares"), representing approximately 74.3% of the entire issued share capital of Asean Resources as at 8th October, 2002, for an aggregate consideration of approximately HK\$839.7 million, equivalent to HK\$0.8784 per share in Asean Resources. The consideration is payable in the following manner:

- HK\$50 million upon the signing of the preliminary agreement, which amount has been paid;
- further HK\$50 million at the earlier of the 31st day from the date of the preliminary agreement and the signing date of the sale and purchase agreement, which amount has been paid; and
- the balance upon completion.

### The conditions of the sale and purchase agreement

The sale and purchase agreement is conditional upon, amongst other things:

- completion of the Asean Resources group reorganisation;
- the entering into a management contract by a wholly-owned subsidiary of Asean Resources, after completion of the Asean Resources group reorganisation, with a wholly-owned subsidiary of Besteam for the commercial podium of Elizabeth House, referred to below;
- the cancellation of all share options granted pursuant to the employee share option scheme of Asean Resources adopted by its shareholders on 8th September, 1998; and
- the shares of Asean Resources remaining listed and traded on the Stock Exchange, save for any temporary suspension.

### The asset injection agreement

Pursuant to the sale and purchase agreement, Mexan Group has requested United Goal Development to procure Asean Resources to enter into an asset injection agreement for the purchase by the Asean Resources group at a consideration of not more than HK\$700 million, after completion of the Asean Resources group reorganisation, of certain assets owned by Mexan Group or its associates. Neither the preliminary agreement nor the sale and purchase agreement has specified what kind of assets will be injected into Asean Resources. The Stock Exchange considered that they might treat Asean Resources as a new listing applicant if any unlisted assets are to be injected by Mexan Group or its associates into Asean Resources shortly after the completion of the Asean Resources offer. Asean Resources has appealed to the Stock Exchange for a review of the decision and the Stock Exchange has not yet come to a final conclusion. A further announcement will be made when the board of Asean Resources has been notified the results of the review decision and on the progress of the asset injection agreement.

### Current intention of the board of Asean Resources

Since the final decision from the Stock Exchange may not be made within a very short period of time and the entering into a formal asset injection agreement (the "asset injection agreement") by Asean Resources with Mexan Group or its associates to acquire the entire shareholding interest in Mexan Holdings Limited ("Mexan Holdings"), which has been identified as the assets to be injected to Asean Resources after the entering into the sale and purchase agreement, for a total consideration of not more than HK\$700 million from Mexan Group or its associates (the "Mexan Holdings Acquisition") may or may not proceed, the board considers that it is in the best interest of Asean Resources to resume trading of its shares because the Mexan Holdings Acquisition is not inter-conditional to the Asean Resources group reorganisation, the Asean Resources offer and the Besteam offer. Mexan Group has identified no other assets other than Mexan Holdings to inject into Asean Resources. If the asset injection agreement does proceed, Asean Resources will use its cash being retained after the Asean Resources group reorganisation to fund the acquisition. The directors also consider that it will be more appropriate to form a view on the effect of the asset injection agreement to Asean Resources when the asset injection agreement does proceed. However, in any event, pursuant to the sale and purchase agreement, completion of the asset injection agreement shall take place on or before 30th June, 2003, or such other date as Asean Resources and Mexan Group may agree in writing. If the asset injection agreement cannot be completed on the completion date as stated therein, the asset injection agreement will be terminated. If the amount of cash comprised in the remaining assets of Asean Resources shall be less than HK\$600 million, Mexan Group shall be entitled by notice in writing to United Goal Development to terminate the sale and purchase agreement.

### The Mexan Holdings Acquisition

Mexan Holdings, a limited liability company incorporated in Hong Kong on 11th August, 1992, is an investment holding company which acquired 79% shareholding interest in 上海茂盛國際貿易有限公司 (Shanghai Mexan International Trading Company Limited, "Mexan Trading") on 30th September, 2002 and 55% shareholding interest in 寧波北侖港高速公路有限公司 (Ningbo Beilungang Highway Company Limited, "BLG Highway") on 18th October, 2002. Mexan Holdings is beneficially and wholly owned by Mr. Lau Kan Shan.

Mexan Trading was incorporated in the PRC as a limited liability company on 22nd August, 2000 and commenced operations later in the same month. Its principal activities involve international trading, re-export trading, agency and trading within the custom-bonded zone, trading with the non-bonded zone import and export companies and business consultancy within the custom-bonded zone. Mexan Trading is also engaged in sale of building and construction materials for highways in the PRC. Mexan Trading is owned as to 21% by 上海茂盛半島經濟發展有限公司 (Shanghai Mexan Island Economic Development Company Limited) ("Shanghai Mexan Island"), which is indirectly controlled by Mr. Lau Kan Shan, and as to 79% by Mexan Holdings and any profits arising from the operation will be shared between Shanghai Mexan Island and Mexan Holdings in proportion to their respective shareholding interests. The total paid-up capital of Mexan Trading is HK\$94.3 million which has been fully paid up.

BLG Highway was incorporated in the PRC as a limited liability company on 25th July, 2002 and commenced operation in August 2002. BLG Highway purchased from 寧波市交通局 (Ningbo Communications Bureau) the right to operate a highway of total distance of approximately 51.4km and all the accessory facilities along such highway for a minimum of 25 years (with a maximum of 30 years subject to further approval) on 5th September, 2002. Such highway starts from 大矸 (Daqi) to 西塢 (Xiwu), the whole section of which is in the area of 浙江省寧波市 (Ningbo city Zhejiang Province, the PRC) and is one part of "同三"國道主幹線 (the primary trunk line of national highway named Tongsan), starting from 黑龍江省同江市 (Tongjiang city of Heilongjiang Province) to 海南島省三亞市 (Sanya city of Hainan Province). It connects to other highways, including 甬台溫沿海高速公路 (Yong Tai Wen Coastal Highway), 滬杭甬高速公路 (Hu Hang Yong Highway), and 甬金高速公路 (Yong Jin Highway) and 杭州灣大橋跨海通道 (Hangzhou Bay Cross Harbour Bridge), both of which are under construction. It forms part of 寧波繞城高速公路 (Ningbo Circulating Highway) and is the main entrance to 北侖港 (Beilungang). BLG Highway is owned as to 45% by 上海茂盛企業發展(集團)有限公司 (Shanghai Mexan Enterprise Development (Group) Company Limited) ("Shanghai Mexan Enterprise") which is controlled by Mr. Lau Kan Shan, and as to 55% by Mexan Holdings and any profits arising from the operation will be shared between Shanghai Mexan Enterprise and Mexan Holdings in proportion to their respective shareholding interests. The total paid-up capital of BLG Highway is HK\$607.3 million, which has been fully paid up.

The following is a summary of consolidated results of Mexan Holdings for the two financial years ended respectively on 31st December, 2001 and 31st December, 2002:

	<b>2001</b>	<b>2002</b>
	<b>Audited</b>	<b>Unaudited</b>
	<i>HK\$</i>	<i>HK\$</i>
	<i>(Note 1)</i>	
Turnover		
– sale of goods	–	12,426,873
– toll income	–	1,720,952
– others	–	55,939
	<hr/>	<hr/>
	–	14,203,764
(Loss)/Profit before taxation	(5,955)	1,151,181
Taxation	–	(164,090)
Minority interests	–	201,400
	<hr/>	<hr/>
(Loss)/Profit after taxation	(5,955)	1,188,491
		<i>(Note 2)</i>

As at 31st December 2002, the unaudited consolidated net asset value of Mexan Holdings was approximately HK\$8.0 million.

#### Notes:

1. The company was dormant during the year.
2. The unaudited profit after tax for Mexan Trading for the period from 1st October, 2002 to 31st December, 2002 was Rmb 1,283,451, which represents approximately HK\$1.2 million.

### Loan facility agreement

A secured loan facility agreement was entered into by United Goal Development and Mexan Group on 22nd November, 2002 for the sole purpose of financing completion of the purchase of 955,970,289 shares in Asean Resources, representing approximately 74.3% of the entire issued share capital of Asean Resources, under which United Goal Development will provide a loan facility of up to HK\$525 million to Mexan Group. Such loan will bear interest at prime rate from time to time quoted by The Hongkong and Shanghai Banking Corporation Limited.

United Goal Development will receive an arrangement fee of HK\$7 million, payable as soon as Mexan Group is requested to provide fund proof to the Securities and Futures Commission for the acquisition of 955,970,289 shares in Asean Resources. The loan will be repaid on the date falling six months after the date of the loan agreement or four months after the date of drawdown, whichever shall be earlier. Pursuant to the loan facility agreement, Mexan Group will not exercise any voting right on the sale shares without consent of United Goal Development, and United Goal Development shall be authorized and have full discretion to vote in respect of the sale shares on all matters reasonably necessary to protect the assets of Asean Resources and United Goal Development's interests until the loan is fully repaid by Mexan Group. The loan facility agreement constitutes United Goal Development to be a presumed party acting in concert with Mexan Group under the Takeovers Code. Save for the preliminary agreement and the sale and purchase agreement, United Goal Development and Mexan Group and their respective concert parties have not dealt in any Asean Resources shares in the six months prior to the date of this announcement.

### POSSIBLE MANDATORY OFFER FOR THE SHARES IN ASEAN RESOURCES

Subject to the completion of the sale and purchase of the sale shares, Mexan Group and its concert parties will own 955,970,289 shares in Asean Resources, representing approximately 74.3% of the entire issued share capital of Asean Resources, and Mexan Group will be required to make an unconditional cash offer for all the outstanding shares in Asean Resources (other than the shares already held or agreed to be acquired by Mexan Group or parties acting in concert with it) in accordance with the Takeovers Code. Presently, neither Mexan Group nor any party acting in concert with it holds any shares in Asean Resources or has traded in any such shares during the six-month period preceding the date of this announcement.

### The Asean Resources mandatory offer

Upon completion of the purchase of the sale shares by Mexan Group, Kingston Securities and CSC Securities will, on behalf of Mexan Group, make an unconditional cash offer to all the Asean Resources shareholders to acquire all the outstanding shares in Asean Resources, other than those owned or agreed to be acquired by Mexan Group or parties acting in concert with it, on the terms to be set out in the offer document and the accompanying form of acceptance and transfer and on the following basis:

**for each share in Asean Resources ..... HK\$0.8784 in cash**

The Asean Resources offer price is the same as the price to be paid for the acquisition of shareholding of United Goal Development and Mr. Peter Chan in Asean Resources and is based on a valuation of the Asean Resources group, after completion of the Asean Resources group reorganisation. The total consideration of the Asean Resources offer based on 330,512,547 shares in Asean Resources, representing the existing number of shares in Asean Resources, other than those Asean Resources shares already owned and/or agreed to be acquired by Mexan Group or parties acting in concert with it, is amounted to approximately HK\$290.3 million.

The shares to be acquired under the Asean Resources offer will be acquired ex the entitlement to the capital repayment and dividend distribution in specie but with the right to all future dividends and distributions declared, paid or made on or after the completion of the purchase of the shares in Asean Resources by Mexan Group and free from all third party rights attaching thereto on or after that date.

Seller's ad valorem stamp duty in connection with the acceptance of the Asean Resources offer amounting to HK\$1.00 for every HK\$1,000 or part thereof of the consideration will be payable by the accepting Asean Resources shareholders and will be deducted from the consideration payable on acceptance of the Asean Resources offer and then Mexan Group will pay the stamp duty on behalf of the accepting Asean Resources shareholders.

Kingston Securities Limited and CSC Securities Limited have confirmed that Mexan Group has sufficient financial resources available to it to satisfy full acceptance of the Asean Resources offer.

In the event that the offer for the shares in Asean Resources to be made by Mexan Group does not proceed, United Goal Development and the board intend to proceed with the Asean Resources group reorganisation, the Besteam offer and propose to declare a cash dividend of not less than HK\$650 million. United Goal Development will seek another purchaser for its controlling shareholding, which purchase will be conditional upon a similar offer being extended to all the other Asean Resources shareholders.

### Background and intentions of Mexan Group regarding Asean Resources

Mexan Group is a company incorporated in the British Virgin Islands with limited liability and is beneficially and wholly owned by Mr. Lau Kan Shan. Mr. Lau, aged 45, is the chairman of Mexan Group. Mr. Lau had worked in various trading companies in the PRC for about 8 years before he started his own trading business in Hong Kong in the 1980s. Mr. Lau is currently engaged in a wide variety of businesses including PRC highway investment, highway construction and related business, real estate investment and financial services. Mr. Lau is a Hong Kong resident.

The directors of Mexan Group believe that Asean Resources will benefit from the Mexan Holdings Acquisition as they expect the underlying businesses of Mexan Holdings have a considerable growth potential in the future. Save for the business or assets which may be injected into Asean Resources under the asset injection agreement, Mexan Group intends to maintain the existing business, which is property investment, of Asean Resources. Moreover, Mexan Group intends to review the operation of Asean Resources and may seek further investment opportunities if there arise such opportunities, which Mexan Group may think fit and are allowed under relevant regulatory provisions.

### Management contract for the commercial podium of Elizabeth House

Under the sale and purchase agreement, a management contract, which is not inter-conditional to the Asean Resources group reorganisation, will be entered into between a wholly-owned subsidiary of Asean Resources holding the interests in the commercial podium of Elizabeth House and a wholly-owned subsidiary (the "manager") of Besteam before completion of the sale and purchase agreement under which the manager will manage, deal with and handle all matters in relation to the management of the commercial podium of Elizabeth House in Causeway Bay, Hong Kong commencing from the date of completion of the sale and purchase agreement. The manager shall guarantee an amount, which will be disclosed in the circular, to the Asean Resources group for a period of three years from the date of completion of the sale and purchase agreement regarding the rental income and other income derived from the commercial podium of Elizabeth House, net of all outgoings directly and indirectly related to the management of the property. The manager shall retain all the management fees. The entering into the management contract by the Asean Resources group will constitute a connected transaction for Asean Resources under the Listing Rules and will be subject to the approval by the independent shareholders of Asean Resources. The entering into the management contract is also a special deal under the Takeovers Code and Asean Resources is, therefore, needed to comply with rule 25 of the Takeovers Code which requires the consent of the Executive Director of the Corporate Finance Division of the Securities and Futures Commission, a fair and reasonable opinion issued by the independent financial advisor and approval from the independent shareholders of Asean Resources. Further details of the management contract will be disclosed in the circular to be despatched to the Asean Resources shareholders.

### Proposed new directors of Asean Resources

The board is currently made up of 10 directors, comprising 7 executive, 1 non-executive and 2 independent non-executive directors. All the present directors of Asean Resources will resign (subject to the repayment by Mexan Group of the loan owing to United Goal Development in full under the loan facility agreement) on the earliest date as permitted under the Takeovers Code. New directors will be nominated by Mexan Group as permitted under the Takeovers Code. A further announcement will be made as and when there is a change in the composition of the board.

### Maintenance of the listing status of Asean Resources

It is the intention of Mexan Group to maintain the listing of Asean Resources on the Stock Exchange after closing of the Asean Resources offer. Mexan Group has undertaken that the new directors to be appointed to the board of Asean Resources will undertake to the Stock Exchange that following the closing of the Asean Resources offer, appropriate steps will be taken to ensure that not less than 25% of the shares in Asean Resources will be held by the general public. When the Asean Resources offer closes, should there be less than 25% of the shares in Asean Resources in public hands, the directors of Mexan Group will take appropriate steps which may include placing down its shareholding interest in Asean Resources to independent third parties within one month after closing of the Asean Resources offer. The Stock Exchange has stated that if, at the closing of the Asean Resources offer, less than 25% of the shares in Asean Resources are held by the general public or if the Stock Exchange believes that:

- a false market exists or may exist in the trading of the shares in Asean Resources; or
  - there are too few shares in Asean Resources in public hands to maintain an orderly market,
- then it will consider exercising its discretion to suspend trading in Asean Resources shares. In this connection, it should be noted that upon completion of the Asean Resources offer, there may be an insufficient public float for the Asean Resources shares and, therefore, trading in the shares in Asean Resources may be suspended until a sufficient level of public float is attained.

The Stock Exchange will also closely monitor all future acquisitions or disposals of assets by Asean Resources. The Stock Exchange has indicated that it has the discretion to require Asean Resources to issue an announcement and a circular to its shareholders irrespective of the size of any proposed transactions, particularly when such proposed transactions represent a departure from the principal activities of Asean Resources. The Stock Exchange also has the power to aggregate a series of transactions of Asean Resources and any such transactions may result in Asean Resources being treated as if it were a new listing applicant.

### POSSIBLE VOLUNTARY OFFER FOR THE SHARES IN BESTEAM

#### The Besteam offer

Upon the implementation of the Asean Resources group reorganisation, Tai Fook Securities will, on behalf of United Goal Development, make an unconditional offer to the shareholders of Besteam to acquire all the shares in Besteam, other than those owned by United Goal Development or parties acting in concert with it, on the terms to be set out in the offer document and the accompanying form of acceptance and transfer and on the following basis:

for each share in Besteam ..... HK\$0.1216 in cash

The shares in Besteam to be acquired under the Besteam offer will be acquired with the right to receive all dividends and distributions declared, paid or made on or after the date of the acceptance of the Besteam offer and free from all third party rights attaching thereto on or after that date.

No transfer duty is payable on transfers of shares in companies incorporated in the British Virgin Islands whose shares are not listed on the Stock Exchange.

The offer price for the shares in Besteam is determined after taking into account the net asset value of Besteam and the closing price of the value of Asean Resources of HK\$0.52 prior to the suspension of trading in the Asean Resources shares on 9th October, 2002. The total consideration of the Besteam offer based on the issued share capital of Besteam, upon completion of the Asean Resources group reorganisation (other than those Besteam shares already owned and/or agreed to be acquired by United Goal Development or parties acting in concert with it) amounts to approximately HK\$40.2 million.

Tai Fook Securities has confirmed that United Goal Development has sufficient financial resources available to it to satisfy full acceptance of the Besteam offer.

#### Intentions of United Goal Development regarding Besteam

Besteam would be a subsidiary of United Goal Development which is incorporated in the British Virgin Islands with limited liability. Besteam was established in 2002 and its principal activity shall be investment holding of the interests of approximately 24.8% in JW Marriott Hotel Hong Kong in Admiralty, Hong Kong, approximately 47.7% in Hotel Nikko Hongkong in Tsimsatsui, Kowloon, Hong Kong, 57% in a residential redevelopment project at Nos. 33 and 35 Island Road, Hong Kong, 55% in the remaining unsold units of The Colonnade, a residential development at 152 Tai Hang Road, Hong Kong, various investment properties and properties held for or under development, being primarily holdings of agricultural land in the New Territories, Hong Kong for future realisation and will not conduct any business other than those currently conducted by Besteam and through its subsidiaries or hold assets other than these assets unless with the approval of its shareholders.

It is intended that Besteam will manage its assets with the objective of realising them over the next several years when the directors consider the full underlying value of these assets can be obtained. United Goal Development will undertake that, without the approval of the shareholders of Besteam, other than United Goal Development or its associates as defined in the articles of association of Besteam which definition is the same as defined in the Listing Rules, in any financial year, no material assets being assets with an aggregate value of more than 10% of the gross value of the assets of the Besteam group as shown in its latest audited consolidated balance sheet or until such accounts published, the pro forma consolidated balance sheet to be contained in the composite document containing the Besteam offer to be sent to the Asean Resources shareholders will be acquired by Besteam. Since the objective of Besteam is to realise its assets, there will not be any restriction on the disposal. Further, all the net cash proceeds of realisations, other than such amounts needed for working capital purposes, will be returned to the shareholders of Besteam through the repayment of capital or dividend distributions. Detailed information on the articles of association of Besteam will be included in the circular of Asean Resources to be despatched to its shareholders.

No application will be made for the listing of the shares in Besteam on any stock exchange. Although the shareholders in Besteam will not be able to trade their shares on a recognised stock exchange, their interests could be safeguarded by the articles of association of Besteam which will contain provisions comparable to the rules relating to connected transactions as contained in the Listing Rules so that transactions between Besteam or any of its subsidiaries and the directors of Besteam, its chief executive, United Goal Development and other substantial shareholders or parties associated with any of them will be subject to independent shareholders' approval who will be independently advised. In addition, no shares will be issued for cash unless first being offered to all shareholders in proportion to their respective shareholdings in Besteam. Besteam will continue to be subject to the Takeovers Code for as long as it remains as an unlisted public company in Hong Kong.

The board of directors of Besteam will comprise all the present executive directors of Asean Resources.

#### Compulsory redemption

In the event that the Besteam offer results in United Goal Development and parties acting in concert with it acquiring 90% or more of the issued share capital of Besteam subject to the Besteam offer, United Goal Development will avail itself of the provisions of section 81 of the British Virgin Islands International Business Companies Act under which it can instruct Besteam to redeem the balance of its outstanding issued share capital. The redemption will be made at HK\$0.1216 per share, being the same price as the Besteam offer price, and will be funded by an advance to Besteam by United Goal Development.

#### THE EFFECTS OF THE OFFERS

The combined consideration per share in Asean Resources of the Asean Resources offer and the Besteam offer is HK\$1.00 which represents:

- a discount of approximately 61.1% on the audited consolidated net asset value of Asean Resources of HK\$2.57 per share as at 31st March, 2002;

- a premium of approximately 92.3% to the closing price of HK\$0.52 per share in Asean Resources as quoted on the Stock Exchange on 8th October, 2002, being the last trading day on which shares in Asean Resources were traded on the Stock Exchange prior to the suspension in trading of shares in Asean Resources;
- a premium of approximately 92.3% to the weighted average closing price of approximately HK\$0.52 per share in Asean Resources as quoted on the Stock Exchange for the ten consecutive trading days up to and including 8th October, 2002;
- a premium of approximately 91.6% to the weighted average closing price of approximately HK\$0.522 per share in Asean Resources as quoted on the Stock Exchange for the thirty day period up to and including 8th October, 2002; and
- a premium of approximately 78.6% to the weighted average closing price of approximately HK\$0.56 per share in Asean Resources as quoted on the Stock Exchange for the six month period up to and including 8th October, 2002.

In the circular to be despatched to the Asean Resources shareholders, the consideration payable of approximately HK\$0.8784 per share under the Asean Resources offer will be compared to the pro forma net asset value per share in Asean Resources as if the Asean Resources group reorganisation had been implemented which will be based on its audited consolidated net asset value as at 31st March, 2002 as adjusted to reflect the unaudited interim results of the Asean Resources group, the property valuation, the capital repayment and dividend distribution in specie. The consideration payable under the Besteam offer will also be compared to the pro forma net asset value per share in Besteam, which will be based on the audited accounts of Asean Resources as at 31st March, 2002 and adjusted to reflect the unaudited interim results of the Asean Resources group, the property valuation and on the basis that the Asean Resources group reorganisation had been implemented before that date.

### CANCELLATION OF THE ASEAN RESOURCES SHARE OPTIONS

Asean Resources has granted options to a number of its directors and full time employees amounting in aggregate to subscribe for 104,200,000 shares in Asean Resources at an exercise price of HK\$0.68 per share (subject to adjustment) as at the date of this announcement. It is one of the conditions to the sale and purchase agreement that all outstanding options granted by Asean Resources under its employees share option scheme shall be cancelled. Since there is no such clause relating to the cancellation of the share options under the share option scheme, approval of the independent shareholders of Asean Resources and consents of the optionholders of Asean Resources will be sought for any cancellation of the share options. Currently, United Goal Development and the board propose to pay a consideration from the internal resources of Asean Resources to cancel the share options and the board considers that such arrangement is a fair and appropriate way to deal with any Takeovers Code implications on the outstanding share options arising from the sale and purchase agreement and such arrangement will be subject to the independent Asean Resources shareholders' approval and they will be advised by the independent financial advisor. United Goal Development and Mr. Peter Chan and their respective associates (as defined under the Listing Rules) and concert parties will abstain from voting. An announcement in relation to the detailed terms of the cancellation proposal will be made.

### GENERAL

Under the Listing Rules, the Asean Resources group reorganisation does not require the approval of the Asean Resources shareholders as the pro rata distribution of securities is exempted from the approval requirements of connected transactions. Notwithstanding this, an independent board committee of Asean Resources will be formed to give advice to the independent shareholders of Asean Resources on how they should respond to the Asean Resources group reorganisation, the entering into of the management contract, the entering into the asset injection agreement, if applicable, the Asean Resources offer and the Besteam offer. Somerley Limited has been retained as the independent financial advisor to advise the independent board committee to Asean Resources.

It is intended that one composite document will be sent to the Asean Resources shareholders containing, amongst other things, details of the Asean Resources group reorganisation, the management contract and the asset injection agreement, if applicable, the notice convening the Asean Resources shareholders' meeting to approve the Asean Resources group reorganisation, the cancellation of the outstanding share options, the management contract to be entered into between the Asean Resources group and the Besteam group and the asset injection agreement, if applicable, and the advice of Somerley Limited on the Asean Resources group reorganisation, the entering into of the management contract, the entering into the asset injection agreement, if applicable, and the Asean Resources and Besteam offers. United Goal Development and Mr. Peter Chan and their respective associates as defined under the Listing Rules and concert parties will abstain from voting on the resolution regarding the approval of the Asean Resources group reorganisation.

It is noted that rule 8.2 of the Takeovers Code provides that an offer document should normally be posted by or on behalf of the purchaser within 21 days of the date of this announcement. Pursuant to note 2 to rule 8.2 of the Takeovers Code, the Executive's consent is required if the making of the offer is subject to the prior fulfillment of conditions precedent and the conditions precedent cannot be fulfilled within the time period contemplated by rule 8.2. Application will be made by each of United Goal Development and Mexan Group for consent under rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the composite offer document time limit from within 21 days of this announcement to 7 days from the date of fulfillment of the conditions precedent of the offers as set out under the paragraph headed "The conditions of the sale and purchase agreement".

A composite offer document regarding the shares in Asean Resources setting out the details of the Asean Resources offer and attaching therewith the acceptance and transfer form and the opinion from the independent financial advisor on the Asean Resources offer will be sent to the Asean Resources shareholders in accordance with the Takeovers Code.

Another composite offer document regarding the shares in Besteam setting out the details of the Besteam offer and attaching therewith the acceptance and transfer form and the opinion from the independent financial advisor on the Besteam offer will also be sent to the Besteam shareholders in accordance with the Takeovers Code.

Kingston Corporate Finance Limited and CSC Asia Limited are advising Mexan Group, and Kingston Securities Limited and CSC Securities Limited will make the Asean Resources offer on its behalf.

Tai Fook Capital is advising United Goal Development and Tai Fook Securities will make the Besteam offer on its behalf.

Anglo Chinese Corporate Finance, Limited is advising Asean Resources and Besteam.

**WARNING: BOTH THE ASEAN RESOURCES OFFER AND THE BESTEAM OFFER ARE POSSIBILITIES ONLY. As the offers may or may not proceed, investors are urged to exercise caution when dealing in the shares of Asean Resources.**

At the request of the board of Asean Resources, trading in the securities of Asean Resources on the Stock Exchange was suspended from 9:30 a.m. on 9th October, 2002. Application has been made to the Stock Exchange for the resumption of trading on the Stock Exchange in the securities of Asean Resources with effect from 9:30 a.m. on 24th February, 2003.

By order of the board  
**MEXAN GROUP LIMITED**  
Lau Kan Shan  
Chairman

By order of the board  
**UNITED GOAL DEVELOPMENT LIMITED**  
Chan Boon Ho, Peter  
Director

By order of the board  
**ASEAN RESOURCES HOLDINGS LIMITED**  
Chan Boon Ho, Peter  
Chairman

Hong Kong, 21st February, 2003

*The directors of Mexan Group jointly and severally accept full responsibility for the accuracy of the information contained in this announcement other than those relating to United Goal Development and the Asean Resources group and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this announcement other than those relating to United Goal Development and the Asean Resources group have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*The directors of United Goal Development jointly and severally accept full responsibility for the accuracy of the information contained in this announcement other than those relating to Mexan Group, Mexan Holdings and the Asean Resources group and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this announcement other than those relating to Mexan Group, Mexan Holdings and the Asean Resources group have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*The directors of Asean Resources jointly and severally accept full responsibility for the accuracy of the information contained in this announcement other than those relating to Mexan Group, Mexan Holdings and United Goal Development and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this announcement other than those relating to Mexan Group, Mexan Holdings and United Goal Development have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*